

Writing a Business Plan

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Section One: The Business

The following pages describe in detail each part (A through I) of the previous Business Plan Outline. Disregard any questions that do not apply to your business.

A. Description of the Business

Part A provides an overview of key information which is developed in greater detail in the following pages. **Aim for clarity and simplicity** in this part. Too much detail here gets in the way of the main ideas. **The Elevator Test** - Can you explain your basic business idea in the time it takes to get from the lobby to the 5th floor?

Basic Questions:

- 1) What general type of business is this?
- 2) What is the status of the business? Start-up, expansion or take-over?
- 3) What is the business form? Sole Proprietorship, Partnership, Corporation or Limited Liability Company?
- 4) What are your products?
- 5) Who are (will be) your customers?

Additional Questions for Start-Ups:

- 1) Why will **you** be successful in this business?
- 2) What is your experience with this type of business?
- 3) What will be special or unique about this business?
- 4) Why will your business be successful?

Additional Questions for Purchase of Existing Business:

- 1) When and by whom was the business founded?
- 2) Why is the owner selling?
- 3) How was the purchase price determined?
- 4) What are the current financial conditions and trends?
- 5) How will your management make the business more profitable?

D. Marketing Plan

In this section, you include the highlights or your detailed marketing plan. The basic components of a Marketing Plan are:

- What are you selling? (What benefits do you provide and what position or image do you have?)
- Who wants the things you sell? (Identify Target Markets)
- How will you reach your Target Markets and motivate them to buy? (Develop Product, Price, and Promotional Strategies)

Product Strategies

- 1) How will products be packaged?
- 2) How broad will your product line be?
- 3) What new products will you introduce?
- 4) What Position or Image will you try to develop or reinforce?

Pricing Strategies

- 1) What will be your pricing strategies? (For example: Premium, Every Day Low Price, Frequent Sale Prices, Meet Competitor Price, etc.)
- 2) How will you compare with competition and how will they respond?
- 3) Why will customers pay your price?
- 4) What will be your credit policies?
- 5) Is there anything about your business which insulates you from price competition?
- 6) Can you add value and compete on issues other than price?

Promotional Strategies

- 1) Who are your Target Markets?
- 2) How will you reach your Target Markets? (What Media will you use?)
- 3) How will you motivate them to buy? (What Message will you stress?)
- 4) What is the cost and timetable for implementation of the marketing plan?